GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2879
ANSWERED ON:15.03.2001
EQUITY OF RURAL ELECTRIFICATION CORPORATION
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of POWER be pleased to state:

(a) whether the Government propose to reverse its decision on buyback of 17 lakh equity shares of Rural Electrification Corporation;

(b) whether the Group of Ministers headed by Deputy Chairman of the PlanningCommission has considered this proposal mooted by the present Power Minister;

(c) if so, the views expressed by the Group of Ministers in this regard; and

(d) the main reasons for reversing this decision?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Cabinet Committee on Economic Affairs (CCEA) in its meeting held on23.3.2000 constituted a Group of Ministers (GOM) under the Chairmanship of Dy. Chairman, Planning Commission to review the existing schemes relating to electrificationof tribal villages, dalit bastis and benefiting other weaker sections and suggest modifications for accelerating the pace of electrification. Besides, CCEA in its meetingon 13th May, 2000 had also directed that the proposal relating to buy back of shares of Rural Electrification Corporation (REC) should also be considered by GOM along withthe general review of future role and manner of operation of Rural Electrification Corporation and its sources of funding.

(c) & (d) : Two meetings of the GOM were held on 8th January and 9th February,2001. The recommendations of the Group of Ministers are yet to be finalized.